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Arizona Corporation Commission

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF ARIZONA WATER COMPANY, AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANT AND PROPERTY
AND FOR ADJUSTMENTS TO ITS RATES
AND CHARGES FOR UTILITY SERVICE
FURNISHED BY ITS NORTHERN GROUP
AND FOR CERTAIN RELATED
APPROVALS.

Docket No. W-01445A-12-0348

**MOTION TO LIFT STAY AND
FOR REINSTATEMENT OF
SYSTEM IMPROVEMENTS
BENEFIT MECHANISM
(NORTHERN GROUP SYSTEMS)**

Arizona Water Company moves to lift the stay and reinstate the System Improvements Benefit ("SIB") mechanism in light of the Arizona Supreme Court Opinion in *Residential Utility Consumer Office v. Arizona Corporation Commission*, Case No. CV-15-0281-PR, 2016 WL 4177569 (August 8, 2016). In that Opinion, the Supreme Court vacated a decision of the Arizona Court of Appeals, dated August 18, 2015 in two consolidated cases, Nos. 1 CA-CC 13-002 and 1 CA-CV 14-0001, and held that the SIB mechanism "complies with the Arizona Constitution's mandate that the Commission determine the fair value of a utility's property when setting rates." Opinion, ¶ 1.

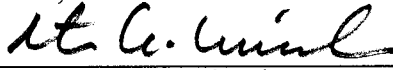
In Decision No. 74081 (Sept. 23, 2013), the Commission granted Arizona Water Company a SIB for its Northern Group water systems, and the Commission approved a Plan of Administration for the SIB in Decision No. 75030 (April 23, 2015). In light of the appeal by Residential Utility Consumer Office of those decisions, the Commission issued Decision No. 75305 (October 27, 2015), which stayed operation of the SIB. As a result of

1 the Supreme Court decision upholding the SIB in *Residential Utility Consumer Office v.*
2 *Arizona Corporation Commission*, it is now appropriate to lift the stays and reinstate the
3 approved SIB mechanisms in this docket.

4 Under these circumstances, Arizona Water Company requests that the Commission
5 issue an order lifting the stay, reinstating the SIB mechanism originally approved in
6 Decision No. 74081, and directing the Company to comply with the requirements and
7 conditions set forth in the approved SIB Plan of Administration. Arizona Water Company
8 requests that the Commission act on this request expeditiously.

9 RESPECTFULLY submitted this 23rd day of August, 2016.

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1 ORIGINAL, plus thirteen (13) copies of the
2 foregoing filed this 23rd day of August, 2016, with:

3 Docket Control Division
4 Arizona Corporation Commission
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Phoenix, AZ 85007

5 COPY of the foregoing hand-delivered or mailed
6 this 23rd day of August, 2016, to:

7 Daniel W. Pozefsky, Chief Counsel
8 Residential Utility Consumer Office
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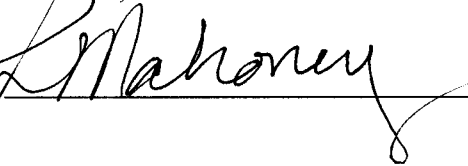
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